



NRUC
CORPORATION

100 NORTH TWENTIETH STREET
SECOND FLOOR
PHILADELPHIA, PA 19103
215 • 569 • 2220

1 5545
RECORDATION NO. _____ FILE 1235

MAR 23 1988 3 10 PM

INTERSTATE COMMERCE COMMISSION

ICC Washington, D. C.

3/23/88
13.00

ICC Washington, D. C.

Interstate Commerce Commission
12th & Constitution Avenues, N.W.
Washington, DC. 20423

March 22, 1988

Attn: Ms. M. Lee, Room 2303

Dear Ms. Lee:

Enclosed herewith is the original document described below and two fully executed copies to be recorded pursuant to section 11303 of Title 49 of the U.S. Code.

This document is a Lease Agreement between NRUC Corporation, Lessor and Gulf & Ohio Railways d/b/a Mississippi Delta Railroad, Lessee.

A fee of \$13.00 is enclosed. Please return two fully executed documents to NRUC Corporation, 100 North 20th Street, 2nd Floor, Philadelphia, Pennsylvania 19103, Attn: Mr. Robert L. Shiner, with the recording certificate stamped thereon.

Very Truly Yours,

Robert L. Shiner, Jr.

Robert L. Shiner, Jr.
Vice-President

Commonwealth of Pennsylvania, {
County of Philadelphia } ss.

On this, the 22nd, _____ day of March _____ 1988, before me
_____Barbara Ann Rastetter_____, the undersigned officer, personally
appeared Robert L. Shiner _____ known to me, or satisfactorily proven to
be the person whose name is _____ subscribed to the within instrument, and acknowledged that
he _____ executed the same for the purposes therein contained.

In Witness Whereof, I hereunto set my hand and official seal.

[SEAL]

Barbara Ann Rastetter
BARBARA ANN RASTETTER
Notary Public, Phila., Phila. Co.
My Commission Expires April 14, 1990

Interstate Commerce Commission
Washington, D.C. 20423

3/23/88

OFFICE OF THE SECRETARY

Robert L. Shiering
Vice President

NRUC Corporation
100 North 20th Street
Phila, Pa. 19103

Dear Sir

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 3/23/88 at 3:00 PM, and assigned recordation number(s). 15545

Sincerely yours,

Nanta L. McEneaney
Secretary

Enclosure(s)

Gulf & Ohio Railways

PETE CLAUSSEN
President

401 HENLEY STREET
SUITE 2
KNOXVILLE, TENNESSEE 37902
615-525-9400

MISSISSIPPI DELTA RAILROAD
Clarksdale, MS 38614

ALABAMA & FLORIDA RAILROAD CO., INC.
Opp, AL 36467

WIREGRASS CENTRAL RAILROAD CO., INC.
Enterprise, AL 36330

MISSISSIPPI DELTA EQUIPMENT CO., INC.
Knoxville, TN 37902

1 5545
RECORDATION NO. _____ Filed 1429

Mr. Robert L. Shiner, Jr.
NRUC Corporation
100 North 20th Street
Philadelphia, PA 19103

MAR 23 1988 - 3 00 PM
INTERSTATE COMMERCE COMMISSION

March 4, 1988

Dear Mr. Shiner:

This is to confirm the following terms that have been agreed upon between NRUC Corporation and Mississippi Delta Railroad.

| | |
|-----------------------------|--|
| LESSEE | Gulf & Ohio Railways d/b/a Mississippi Delta Railroad (hereinafter referred to as "MDR") |
| LESSOR | NRUC Corporation (hereinafter referred to as "NRUC") |
| EQUIPMENT | 16 used 50 foot, 50 ton boxcars as listed on Exhibit "A" attached. |
| LOCATION AND USE OF CARS | MDR may use the cars operating under its railroad markings "MSDR" |
| DELIVERY | NRUC will deliver boxcars to interchange at Easley, South Carolina to Norfolk Southern per Lessee's routing instruc- tions; Lessee, "MDR", agrees to accept cars when interchanged and agrees to pay all cost of movement to the Lessee's railroad |

LEASE FINANCING

1. INTERIM LEASE FINANCING:

COMMENCEMENT OF INTERIM LEASE:

Upon acceptance at interchange between Pickens
Railroad and Norfolk Southern Railroad.

INTERIM LEASE RENTAL RATE:

\$2.88 per day per car commencing on the Date of
Commencement of each car to the day prior to the
commencement of the base lease.

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PAYMENT:

Payments will be made by MDR to NRUC per interim lease rental rate in the following installments for cars delivered prior to commencement of the base lease:

1st Installment Payment: March 31, 1988
2nd Installment Payment: April 15, 1988
3rd Installment Payment: Upon commencement of base lease

2. BASE-LEASE FINANCING:

COMMENCEMENT DATE OF BASE LEASE:

The earlier of (a) the first day of the calendar month following the date on which the last of the cars is delivered to and accepted by Lessee or, (b) April 30, 1988, provided all cars have been delivered by such date.

FULL TERM IN YEARS OF BASE LEASE: 3 YEARS ("BASE TERM") *RJA*

Rentals will be payable monthly in advance at a rate of \$87.43 per car per month.

END OF BASE TERM OPTIONS:

At the end of the base term MDR shall have the following options:

- 1) Purchase the cars for \$500.00 per car payable at the expiration of the lease.
- 2) Return the cars to NRUC. In the event MDR elects to return the cars, MDR will provide 120 days storage on its railroad line at no cost to Lessor.

TAXES AND WARRANTY:

Lessee will be responsible for any state, local, or federal taxes imposed on the lease or purchase option. The cars are warranted by NRUC to be free of all liens, claims and encumbrances.

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LEGAL AND CLOSING EXPENSES:

Each party to this transaction shall be responsible for its own legal and closing costs.

INSURANCE:

MDR shall provide and maintain at MDR's expense insurance coverage on all cars according to its standard practice.

MAINTENANCE:

MDR shall, at its expense, maintain the cars in AAR interchange condition, ordinary wear and tear excepted.

CASUALTY OCCURRENCE:

- 1) In the event a boxcar is destroyed on lines of the MDR, Lessee shall pay to Lessor the remaining lease value and the purchase option price of \$500.00
- 2) In the event a boxcar is destroyed by a foreign handling line, the lease shall terminate for that car and Lessee will be relieved from lease payments as of the month following the date notification is tendered to Lessor from Lessee. Lessor will be entitled to the proceeds of any settlement, based on the depreciated value statement and final settlement with the railroad obligated by the rules of the AAR. Lessee will use its best efforts to secure a timely settlement and will forward the settlement proceeds to the Lessor within three (3) banking days of receipt of funds.

APPROVAL:

Lease of the cars pursuant to this confirmation is contingent upon:

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- 1) Execution of the formal lease agreement and any other documentation deemed appropriate by both parties.
- 2) Acceptance of the boxcars by Norfolk Southern at Easley, South Carolina.
- 3) The proposed transaction not resulting in any violation or infraction of federal, state, or local statutes.

CONDITION OF CARS AT COMMENCEMENT:

The boxcars will be in interchange condition. NRUC has agreed also to:

- 1) Paint and stencil cars to Lessee's markings.
- 2) Remove logo plates.
- 3) Perform a C.O.T. & S. inspection.
- 4) Weight and stencil new light weight.

DEPOSIT:

Lessee has tendered and Lessor has received a \$3,000.00 security deposit which will be (a) applied to the purchase option price at termination of the lease period, or (b) applied to lease payments in the event of default.

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ACKNOWLEDGEMENT AND ACCEPTANCE:

Both parties being duly authorized, agree and accept the above terms and conditions, and acknowledge that this agreement and abase lease agreement will be governed and construed in accordance with the laws of the State of South Carolina.

ACCEPTED BY:

LESSOR: NRUC CORPORATION

BY: Robert L. Shiner Jr
TITLE: Vice President
DATE: 3/9/88

ACCEPTED BY:

LESSEE: GULF & OHIO RAILWAYS d/b/a
MISSISSIPPI DELTA RAILROAD

BY: [Signature]
TITLE: President
DATE: 3/7/88

EXHIBIT "A"
NRUC - MDR CARS

| <u>NRUC CAR NUMBER</u> | <u>MDR CAR NUMBER</u> |
|------------------------|-----------------------|
| PICK 83000 | MSDR 83000 |
| PICK 83003 | MSDR 83003 |
| PICK 83005 | MSDR 83005 |
| PICK 83006 | MSDR 83006 |
| PICK 83018 | MSDR 83018 |
| PICK 83021 | MSDR 83021 |
| PICK 83026 | MSDR 83026 |
| PICK 83029 | MSDR 83029 |
| PICK 83031 | MSDR 83031 |
| PICK 83034 | MSDR 83034 |
| PICK 83044 | MSDR 83044 |
| PICK 83049 | MSDR 83049 |
| PICK 83054 | MSDR 83054 |
| PICK 83055 | MSDR 83055 |
| PICK 83059 | MSDR 83059 |
| PICK 83063 | MSDR 83063 |

Cars will be stencilled from PICK mark to MSDR mark.